

**HEALTH SERVICES AND DEVELOPMENT AGENCY**  
**MINUTES**  
**SEPTEMBER 26, 2007**

**AGENCY MEMBERS PRESENT**

Koella, Carl, III, Chair  
Atchley, Bryan, Vice Chair  
Gaither, Keith, designee for the TennCare Director  
Jones, Clark  
Lammert, Gregory  
Morris, John, designee for the Commissioner of Commerce and Insurance  
Troy, Peggy  
Weaver, Faye, designee for the Comptroller of the Treasury

**AGENCY MEMBERS ABSENT**

Caldwell, Gene, M.D.  
Handorf, Charles, M.D.

**AGENCY STAFF PRESENT**

Hill, Melanie, Executive Director  
Bobbitt, Melissa, Administrative Services Assistant III  
Brogden, Reid, General Counsel  
Craighead, Alecia, Statistical Analyst III  
Farber, Mark, Assistant Executive Director  
Finchum, Rhonda, Office Manager  
Grimm, Jeff, Health Planner III  
Wells, Phil, Health Planner III

**GUESTS PRESENT**

Anderson, Earl, Executive Director, Tennessee Orthopaedic Clinics, P.C.  
Baucom, Bradford J., COO, West Tennessee Healthcare  
Bidwell, Greg, Senior Regional Vice President, NHC  
Blankenship, Jeff, Controller, West Tennessee Healthcare  
Brent, Michael D., Esq., Boulton, Cummings, Conners & Berry  
Brown, Dere, NHC  
Burns, Charlotte, CEO, Hardin Medical Center  
Casey, Pam, Bass, Berry & Sims  
Conners, Richard  
Corritore, Danell, Department of Health  
Culp, Joe, Department of Health  
Davis, Vincent, Department of Health  
Duncan, Bruce, NHC  
Elrod, Dan H., Esq., Miller & Martin  
Given, Judy, Abes Gardner  
Gregory, Luke  
Hill, Ron, Vice President, Jackson-Madison County General Hospital  
Houchin, Barbara, St. Thomas Health System  
Joyce, Barry, Director Finance/Capital, Jackson-Madison County General Hospital  
Kahn, Edward, M.D., Tennessee Orthopaedic Clinics, P.C.  
Klein, Rodger G., COO, Williamson Medical Center  
Kovalic, Jeff, M.D., Oncology Consultants, PC  
Lake, Victoria S., Director, Market Research/Community Planning, Jackson-Madison County General Hospital  
McPherson, Jeffrey A., Clinic Director, Tennessee Orthopaedic Clinics, P.C.

HEALTH SERVICES AND DEVELOPMENT AGENCY

SEPTEMBER 26, 2007 MEETING

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Miller, Dennis E., CEO, Williamson Medical Center  
Myracle, Gina, Administrative Director, West Tennessee Cancer Center  
Panek, Richard, SOFHA  
Rinks, Randy, State Representative  
Ross, James E., Vice President, West Tennessee Healthcare  
Russell, Richard, THA  
Shulman, Jim, Executive Assistant to the Commissioner of Finance & Administration  
Stephenson, Kate, Esq., Trauger & Tuke  
Sullivan, Jessica, Bass, Berry & Sims  
Taylor, Jerry W., Esq., Farris, Mathews, Branan, Bobango, Hellen & Dunlap, PLC  
Thompson, Ann R., RN, BSN, MBA, Director of Licensure, Department of Health  
Trauger, Byron, Esq., Trauger & Tuke  
Tucker, Kate, Esq., Kramer Rayson, LLP  
Wellborn, John, Development Support Group  
White, Carol, Shared Services Solutions  
Worley, Darryl, Worleybird Tours, INC.

**Chairman Koella, called the meeting to order at 8:30 a.m. in the Meeting Room 12 of Legislative Plaza, Nashville, Tennessee.**

### **DIRECTOR'S ANNOUNCEMENTS**

Melanie Hill, Executive Director, made general announcements.

### **OTHER BUSINESS**

- 1) State Health Plan – Jim Shulman, Executive Assistant to the Commissioner, Finance & Administration discussed the status of development of a state health plan at the Department of Finance & Administration.

### **CERTIFICATE OF NEED APPLICATIONS**

*Mark Farber summarized the following CON applications:*

#### **Chattanooga Orthopaedic Group, PC - (Chattanooga, Hamilton County) - Project No. CN0704-030**

The establishment of a single specialty ambulatory surgery treatment center (ASTC) limited to orthopaedic services focusing specifically on pain management services. The ASTC will be located in 1,398 square feet of leased existing space at Memorial Healthcare System. The leased space will include one (1) procedure room, seven (7) pre and post-operative rooms and other support areas, along with appropriate support staff, equipment and other resources. Project Cost \$317,384.00.

#### **WITHDRAWN**

#### **HCC Home Health, Inc. - (Hartsville, Trousdale County) - Project No. CN0705-037**

The establishment of a home care organization to provide a full range of home health services to patients residing in Trousdale County, TN only. The administrative office of the new home health agency will be located within Hartsville Convalescent Center, 649 McMurry Blvd., Hartsville (Trousdale County), TN 37074. Project Cost \$96,271.00.

#### **DEFERRED TO THE NOVEMBER MEETING**

#### **NHC HealthCare, Nashville - (Nashville, Davidson County) - Project No. CN0706-047**

The relocation of previously approved Certificate of Need (CN0506-046A) for the construction of a replacement facility for a 124 bed nursing home certified for both Medicaid and Medicare participation. The proposed new unaddressed site is located on approximately 15 acres adjacent to and on the northwest side of Highland Park Church at 5710 Knob Road, Nashville (Davidson County), TN 37209. Project Cost \$21,411,200.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Greg Bidwell, Senior Regional Vice President and Bruce K. Duncan, Assistant Vice President spoke on behalf of the project.

Ms. Troy moved for approval of the project based on: 1) Need – The project does meet a need; 2) Economic Feasibility – The project is financially feasible; and 3) The project does contribute to the orderly development of adequate and effective health care. The Certificate of Need is to expire in three (3) years. Mr. Atchley seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Atchley, Weaver, Gaither, Jones, Koella  
NAY: None

*Ms. Troy recused*

**West Tennessee Cancer Center of Hardin County - (Savannah, Hardin County) - Project No. CN0706-048**

The establishment of a single specialty ambulatory surgery treatment center (ASTC) limited to radiation therapy services. The project also involves the initiation of linear accelerator services and the relocation of linear accelerator equipment located at Jackson-Madison County General Hospital. The center will be located adjacent to Hardin Medical Center. Project Cost \$3,880,460.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. Charlotte Burns, CEO, Hardin Medical Center, Darryl Worley, Worleybird Tours, Inc., State Representative Randy Rinks and Jeff Kovalic, M.D., Department of Radiology Oncology/Oncology Consultants, PC spoke on behalf of the project. Present in support were: Victoria S. Lake, Director, Market Research & Community Planning; James E. Ross, Vice President, West Tennessee Healthcare; Gina Myracle, Administrative Director, West Tennessee Cancer Center; and Jeff Blankenship, Controller, West Tennessee Healthcare.

Mr. Jones moved for approval of the project based on: 1) Need – The need has been demonstrated; 2) Economic Feasibility – The project is economically feasible from cash reserves of Jackson-Madison County General Hospital and Hardin Medical Center; and 3) The project does contribute to the orderly development of adequate and effective health care in Tennessee. Mr. Lammert seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Morris, Lammert, Atchley, Weaver, Gaither, Jones, Koella  
NAY: None

*Ms. Troy recused*

**Jackson-Madison County General Hospital - (Jackson, Madison County) - Project No. CN0706-050**

Modification of CN0206-042A and CN0507-059A to: 1) complete the build out of approximately 30,000 square feet of space that was originally designed as shell space; and 2) increase the cost of the project by \$8,430,660, increasing the cost from \$117,293,026 to \$125,723,686. Project Cost \$8,430,660.00.

Dan H. Elrod, Esq., representing the applicant, addressed the Agency. James E. Ross, Vice President, West Tennessee Healthcare spoke on behalf of the project. Present in support were: Victoria S. Lake, Director, Market Research & Community Planning; Ron Hill, Vice President, Jackson-Madison County General Hospital; Bradford J. Baucom, COO, West Tennessee Healthcare; Barry Joyce, Director Finance/Capital, Jackson-Madison County General Hospital; and Jeff Blankenship, Controller, West Tennessee Healthcare.

Mr. Lammert moved for approval of the project based on: 1) Need – The project will meet the need in the community; 2) Economic Feasibility – The project is economically feasible with cash reserves; and 3) The project does contribute to the orderly development of adequate and effective health care in the area by allowing the facility to meet the increasing demands of the inpatients in the facility. Mr. Jones seconded the motion. The motion CARRIED [7-0-0]. **APPROVED**

AYE: Morris, Lammert, Atchley, Weaver, Gaither, Jones, Koella  
NAY: None

**Williamson County Hospital District d/b/a Williamson Medical Center - (Franklin, Williamson County) - Project No. CN0706-051**

The expansion of the hospital by locating a provider-based outpatient imaging department in a medical office condominium at 3001 Carothers Parkway, Franklin (Williamson County), TN. Services provided by this project will be limited to mammography, computerized tomography, fluroscopy, flat film radiology, ultrasound and bone density measurement. Project Cost \$7,591,780.00.

Kate Tucker, Esq., representing the applicant, addressed the Agency. Rodger G. Klein, COO, spoke on behalf of the project and Dennis E. Miller, CEO, was present.

Ms. Troy moved for approval of the project based on: 1) Need – The need is demonstrated; 2) Economic Feasibility – The project is financially feasible; and 3) The project does contribute to the orderly development of adequate and effective health care. Mr. Lammert seconded the motion. The motion CARRIED [8-0-0].

**APPROVED**

AYE: Morris, Troy, Lammert, Atchley, Weaver, Gaither, Jones, Koella

NAY: None

**Tennessee Orthopaedic Clinics, P.C. - (Oak Ridge, Anderson County) - Project No. CN0706-052**

The acquisition of an extremities magnetic resonance imaging (MRI) unit to be located in Tennessee Orthopaedic Clinic's (TOC) physician offices. This will be the third MRI unit and location operated by TOC. The proposed extremities MRI, like all of TOC's currently operated MRIs, will be limited to the patients of TOC physicians. Project Cost \$981,406.00.

Jerry W. Taylor, Esq., representing the applicant, addressed the Agency. Earl Anderson, Executive Director, spoke on behalf of the project. Present in support were Edward Kahn, M.D. and Jeffrey A. McPherson, Clinic Director.

Mr. Atchey moved for approval of the project based on: 1) Need – The need for the service is proven for the five (5) county service area; 2) Economic Feasibility – The project is economically feasible; and 3) The project does contribute to the orderly development of adequate and effective health care by providing a more accessible MRI unit. **CONDITION: This MRI is for extremities only limited to the patients of TOC physicians.** Ms. Weaver seconded the motion. The motion CARRIED [7-1-0]. **APPROVED**

AYE: Morris, Lammert, Atchley, Weaver, Gaither, Jones, Koella

NAY: Troy

**GENERAL COUNSEL'S REPORT**

**SOFHA Diagnostic Center - (Johnson City, Washington County) - Project No. CN0511-106A**

Request for a ten (10) month extension of the expiration date from March 1, 2008 to January 1, 2009. This project was approved on January 25, 2006 for the relocation of an existing outpatient diagnostic center.

Richard Panek, CEO, and Michael Longhouser spoke on behalf of the request and John L. Wellborn, Consultant was present.

Mr. Koella moved to extend the expiration date for twelve (12) months from March 1, 2008 to March 1, 2009. Ms. Troy seconded the motion. The motion CARRIED [8-0-0]. **APPROVED**

AYE: Morris, Troy, Lammert, Atchley, Weaver, Gaither, Jones, Koella

NAY: None

**Tennessee Sports Medicine Surgery Center - (Mt. Juliet, Wilson County) - Project No. CN0411-103DA**

Request for modifications: 1) Project costs be increased from \$1,877,445 to approximately \$2,500,000 (an increase of approximately \$622,555); 2) increase from one (1) operating room to two (2) operating rooms and a decrease from two (2) procedure rooms to one (1) procedure room; and 3) limitation removed that limits it to certain orthopedic surgical and pain management procedures to permit also the performance of a certain limited

number of procedures not classified by Medicare in payment groups 1, 2, 3 and 4. The expiration date is April 1, 2009.

## **DEFERRED TO THE OCTOBER MEETING**

### **CURRENT REPORTS**

#### **Statistical Reports**

The reports were accepted into the record.

#### **Finance, Ways and Means Committee Reports**

The reports were accepted into the record.

#### **Minutes**

The minutes of the August 22, 2007 meeting were accepted by unanimous voice vote.

### **ADJOURNMENT**

There being no further business, the meeting adjourned.

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Melanie M. Hill, Executive Director

MMH/mab